

NOTE : Attached at the end is a part of a letter that am reproducing there because I believe it to represent a meritorious view on the whole ISIS situation.

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Sic transit gloria? On March 9th McDonald's reported February same-store sales down for the ninth month running - *while not unexpected, the degree of decline was : 1.7% MoM worldwide (vs. 0.3% expected), & 4.6% MoM in the US (vs. 0.7%) while YoY revenues were down 7.3% - still its share price was up slightly (at the lower end of the range it has dwelt in for the past three years, after tripling during the preceding seven, with only a minor hiccup during the Great Recession).*

The consensus among analysts is for S&P 500 earnings to be down 4.6% MoM this quarter & another 1.5% in the next; it's rare to have them drop two quarters in a row; in fact the last two times this happened was in 2007 & before that in 2000-2001 - *The reasons for this include the following. The savings rate is up to 5.5%, from 4.9% YoY. The stronger US dollar (261 of the companies in the index generate over 15%-, & some a great deal more than 15%-, of their sales abroad). In the oil & gas sector capital spending & high-paying jobs are being slashed. The boost from lower gasoline prices, that in any case never did as much for consumer spending as expected, has run its course; in fact in March consumer spending was down 0.6%, the third month in a row it has been in negative territory. Factory activity-, and construction-, spending-, has been softening. The Consumer Confidence Index has come off its recent 11-year high. And, if last year was anything the go by, the prolonged adverse weather in much of the Eastern & Southeastern parts of the country is going to affect GDP growth. And as far as the year as a whole goes, few people appreciate the effect on the annual GDP growth number from a lousy First Quarter*

The litany of oil train derailments is continuing. In the last month alone there were no fewer than four major ones, one each in West Virginia & Illinois, and two involving CN Rail trains near the same community in Northern Ontario, and the day efor yesterday another CN detailment in rural Manitoba that 'spilled some petroleum products'.. And while new, stronger-built tank cars have been held out as the solution, the one in West Virginia involved such cars, that 'popped' just like the older, thinner-skinned & structurally weaker ones. And it would be a pity if this were eventually to result in oil-by-train to be regulated out of existence; for it does has a meaningful role to play in getting crude oil from where it is produced to where it is refined, if only since it is a more flexible-, albeit also more costly- delivery system than pipelines - *the basic problem is the long-held railroad mindset that derailments are just part of normal operating procedures and that it is more cost-effective to put up with them rather than have a high quality track & equipment maintenance programme (thus when DOT, after a 2009 derailment of an NGL-loaded train near Chicago, pressured railroads to replace their old cars, the industry association argued it was unreasonable to expect them to spend US\$1+BN when the annual cost of derailments was just US\$62MM).*

Newport Beach, Cal.-based & Munich-based, Allianz-owned PIMCO, operator of the world's largest bond fund, announced on March 9th it was selling its Government of Canada bond holdings & buying provincial government bonds since, as Ed Devlin who oversees its Canadian portfolio puts it, "investors should require a big risk premium to invest" in them, given Bank of Canada Governor Stephen Poloz's, what he called, "seemingly erratic" interest rate policy.

China's National People's Congress is currently meeting in Beijing. One of those attending is Zhang Chunxian, the CPC chief in the predominantly Muslim Xinjiang Autonomous Region. The

South China Morning Post quotes him as saying that “I believe there are extremists who have joined the Islamic State ... we have recently arrested some groups who have returned after joining”. In fact, over the past year some 300 Chinese citizens, many of them from Xinjiang, are believed to have traveled, via Malaysia, to the Middle East to do so, with the Global Times recently reporting three of them were executed after attempting to leave, two of them by beheading (and the other shot, when caught in the act).

On March 8th the ECB formally, but very modestly, launched its very own QE program (that expects to pump up the EU economy by buying almost 68BN Euros a month in government bonds over a 19 months’ period) buying small amounts of five countries’ bonds. This prompted Société Générale’s Ciaran O’Hagan, its Head of European Rates Strategy, to comment that “The amount bought may be small to start with, but this will be like a pressure cooker ... They have just switched on the heat and we will need some time for the pressure to mount.” - *Interestingly enough, this is happening at the very time that, with the benefit of hindsight, the view is waxing on this side of the Atlantic that QE in the US did a great deal more for the stock market than for the real economy.*

On March 4th French energy giant GDF Suez came to market with a 2.5 BN Euro bond issue :

- 500MM Euros of 1.5% 20-year bonds ;
- 750 MM 1.0% 11-year bonds;
- 750 MM 0.5% 7-year bonds; and
- 500 MM 0.0% 2-year bonds.

The WSJ called the latter a “true rarity”. But it says something about today’s bond market, when investors supposedly in their right mind will “invest” in a piece of paper with zero upside.

GLEANINGS II - 605
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SLOW RECOVERY THE ‘NEW NORMAL’ (FP, Gordon Isfeld)

- Forecasters are cutting their expectations for Canadian economic growth, & warning of a ‘new normal’ (a prolonged period of weak growth & slower job creation) as the OECD’s leading indicators for Canada’s economy fell in 2014 & in January were 99.9¹. Consumer confidence is wavering, many believe job opportunities are fading & the Conference Board’s February Survey found Canadians reluctant to buy big-ticket items.
- But a study by the Vancouver-based Fraser Institute, published March 10th & authored by Philip Cross, formerly StatsCan ‘s Chief Economic Analyst, says the “new normal” is not new at all” since Canadians have lived through versions of it after previous downturns, often emerging in good shape; so “slow growth in a recovery is nothing new & doesn’t augur weak growth will continue” (since past periods of weak expansion ended when governments “adopted better² & more predictable policies”) : “Canada is ... well positioned to take advantage of an upturn in the U.S. economy since the lasting impact of the recession upon [our] financial sector and labour markets has been much less pronounced than in the United States ... This will help Canada overcome the recent slump in commodity prices.”

¹ While in that of the US it was 100.2 (100 is the long-term average).

² Which in Cross’ view, should be focused on the removal of regulatory barriers.

- Meanwhile the Bank of Canada is expecting 1.5% annualized GDP growth in the First & Second Quarters, and 2.1% for the year as a whole (which implies quite a jump in growth in the Second Half), while private forecasters are shading that to 2.0%, while in the US, where growth last year was slower than in Canada, 3.0%, or better is expected.

He also says “against a backdrop of weak demand and excess capacity, low interest rates have encouraged firms to buy back their own shares rather than investing in new plant and equipment.”

LETTER TO IRAN BY GOP CRITICIZED (NYT, Peter Baker)

- Sen. Tom Cotton (R-, Ark.) drafted a letter, later signed by 46 other Republican Senators, addressed to “leaders of the Islamic Republic of Iran”, saying they may not understand the American system & warning that any deal Mr. Obama & other leaders may reach on the future of its nuclear program may not stick, since Congress may not approve it and/or a Republican President succeeding Mr. Obama may not to honour it. White House Press Secretary Josh Earnest called this an attempt to “throw sand in the gears” in a way that went beyond the foreign policy role envisioned for Congress by the authors of the Constitution, & that “Writing a letter like this that appeals to the hardliners in Iraq is frankly just the latest in a strategy, a partisan strategy, to undermine the president’s ability to conduct foreign policy and advance our national interests around the world.” And on Fox News Sen. Cotton said that the agreement under discussion would expire in 10 years which made it unacceptable, dangerous to the United States and dangerous to the world.”
- Unlike a treaty, that requires two-thirds Senate approval for ratification, the agreement Mr. Obama & other world leaders are negotiating with Iran need not go to Congress (although members from both parties have been pushing for that). And this it came just days after the Senate Republicans abandoned their effort to push for a vote on legislation that would have forced Mr. Obama to submit any deal to Congress for a vote.

What may really be most “dangerous to the United States and dangerous to the world” is the lack of Congressional support for the President in foreign policy, & one wonders if the writer may have drunk the GOP version of Jim Jones’ Kool-Aid since, on no fewer than four occasions in 500+ word article, he refers to the President as “Mr. Obama” - did anyone ever refer to “Mr. Bush” or “Mr. Clinton”, never mind “Mr. Eisenhower” or “Mr. Kennedy” after they became President?

AYATOLLAH TELLS AIR FORCE : WE ENRICHED URANIUM 20 (CNSNews.com, Terence J. Jeffrey)

- Last February 8th Grand Ayatollah Ali Khameni, Iran’s Supreme Leader & Commander-in-Chief, told an Iranian Air Force gathering Iran had enriched uranium to the 20 percent level, and that “those who are experts ... know that producing 20 percent from 5 percent is much more significant than producing uranium which is higher than 20 percent” [according to the Congressional Research Service (CRS) “LEU (*Low Enriched Uranium*) used in nuclear reactors typically ... less than 5% uranium-235 ... research reactor fuel can be made using 20% uranium-235, HEU used in nuclear weapons typically contains about 90% uranium-235 ... Iran’s production of LEU enriched to the 20% level has caused concern because such production requires about 90% of the effort necessary to produce weapons-grade HEU.” The Supreme Leader stressed that he supports a nuclear deal that is “workable” & that the government had agreed earlier to shut down its

production of 20% U-235 “for a while” in an effort to reach a deal with the United States and others that would ease the sanctions.

- According to Director of National Intelligence James Clapper Iran has the capability to produce nuclear weapons but has not made the decision to do so, a decision that he said “would be made singly by the Supreme Leader ... (who) wants sanctions relief but, at the same time, to preserve his options on nuclear on nuclear capabilities.”

Interesting that it took a month for this to find its way into the US media and, when it did, to do so in a relatively obscure, right wing news service, although it fits with its general philosophy to cover stories it believe (improperly?) Ignored by the mainstream media organizations.

NETANYAHU VOWS ‘NO WITHDRAWALS’ (The Media Line, Linda Gradstein)

- A week before the elections Netanyahu is scrambling to counter press reports, first aired in Yediot Aharonot³, that he had agreed to discuss a Palestinian state based on the 1967 borders, with land swaps. So his office issued a statement that said “In the situation created in the Middle East, any territory ... evacuated will be taken over by radical Islam and terrorist organizations ... Therefore, there will not be any withdrawals or concessions. The matter is simply irrelevant”, while insisting he wasn’t backing away from his 2009 speech at Bar Ilan University advocating demilitarized Palestinian state. And one of his senior officials told Media Line “They leaked an American document ... (he) never agreed to the 1967 borders, any concessions on Jerusalem, or the right of return for Palestinian refugees.”
- Prof. Avraham Diskin, who teaches Political Science at Hebrew University, warned against putting too much stock in the polls, since they have consistently been wrong, & that March 17th could bring surprises, and “I think he really meant what he said at the time that he was ready to negotiate with the Palestinians and even froze settlement building for ten months ... But the Palestinians were not ready to talk and whatever was suggested they rejected”. And according to Gabriel Sheffer, another poli sci prof at that university, “He made the Bar Ilan speech under American pressure ... Ideologically and personally he was sure that we will never have a two-state solution” & that the talk about him having repudiated the Bar Ilan speech confuses “everybody, including the U.S., us here in Israel and the Palestinians.” (*which makes him sound like a right winger*).
- And a new poll by Geocartography has Likud ahead with 26 seats, five more than the Zionist Union of Yitzhak Herzog, while others put the latter two or three seats ahead.

Small wonder Netanyahu is nervous. For from December 8th, the day the election was called, to March 11th, the results of 97 polls were published (as many as four in a single day), 48 of which had the Zionist Union ahead, vs Likud’s 29, with 20 ties. The latest Geocartography poll’s credibility is suspect due to the fact that it had Likud ahead in every one of its seven polls and, what’s more, by an average margin of 2.8 seats vs. 1.2 seats for the other 22 polls in which it led. And the three polls published after its March 8th, poll (that had Likud in the lead 26-21), all were at odds with it; a Channel 2 poll on March 10th had the Zionist Union ahead 25-21, a second one that same day, by the Panels/Knesset Channel, did so by 24-21, while the third on March 11th by Midgam/Israel Army Radio reported a similar 24-21 lead. And for comparative purposes the results of the Panels/Knesset polls on December 8th & March 10th are illustrative :

³ Israel’s largest circulation (tabloid) daily that, while its says it’s open to a variety of political views, it has often been accused of an anti-Netanyahu bias.

	Likud	Yisrael Beitenu*	Yesh Atid**	Zionist Union	Jewish Home***	Kulanu	Arab List
December 8 th	21	10	12	17****	18	10	10
March 10 th	21	6	14*****	24	12	9	13

* The party of Foreign Minister Avigdor Lieberman that in the last election had run a joint list with Likud but this time went it alone; he just made the headlines by telling a rally that Arab Israelis not loyal to the State of Israel “should be beheaded” and then, when the PA announced it would petition the ICC (International Court of Justice) over his comments, responded by saying “They’ll receive an answer when I am defense minister⁴”.

** The party of Naftali Bennett, to the right of Likud (who is now, rather than Netanyahu, seen by many as the real Leader of the Right).

*** That was the Labor Party’s tally. While at that time Tsipi Livni’s party had the prospect of getting zero seats, when the two parties decided to run a joint list under the Zionist Union banner, their seat tally jumped almost overnight to 22.

**** The joint list of Yitzhak Hertzog’s Labor Party & Tsipi Livni’s Kadima party

***** The centrist party party of Yair Lapid, a TV personality, who in the 2013 election, as the ‘new boy on the block’ full of ideas, came from nowhere to garner 19 seats, only two short of Likud, to become the second largest in the Knesset. But he let himself be manoeuvred into the Minister of Finance’s spot, which caused him to lose half his voter support, but now seems to have made a partial comeback from his single digit seat low support base.

Prof. Diskin rightly warns not to put too much stock in the polls. A week before the election 14% of eligible voters were still undecided & even more still not 100% committed to the party they thought they would vote for. Then there is the 3.25% voter support threshold for a party to get any seats at all in the Knesset (which various polls don’t deal with uniformly & may affect the final seat distribution). Finally, the President is not obliged to ask the leader of the party with the most votes to form the next government (thus in 2009 then President Shimon Peres asked Netanyahu to form the government even though Likud had one seat less than Tsipi Livni’s Kadima Party) & in this case, President Reuven Rivlin could conceivably opt for the Hertzog-Livni combo, even if they were a close second, if he thought they could assemble a viable coalition that would protect minority rights better than the alternative; for despite having been a prominent lifelong Likud member, & being a strong nationalist opposed to any two-state solution, he is also an ardent advocate of minority-, especially Arab-Israeli minority-, rights & may take into account the fact that, at least in their oratory there is little daylight between the positions of **all** party leaders on the security issue & that the February 26th leadership debate (that neither Netanyahu & Hertzog participated in) suggested that for the hoi polloi economic issues, incl. housing, have a higher priority than national security issues, and that on economic issues Hertzog, Lapid (& Moshe Kahlon, the popular former Communications Minister & now Leader of the new Kulanu Party), are much stronger than Netanyahu, and all sing, more or less, off the same song sheet, and that Netanyahu’s approval rating has cratered both at home & in the US. But what could really put the Zionist Union “over the top” would be an (informal) indication to the President by the growing Arab bloc in the Knesset that it was prepared to work with-, & support-, a Zionist Union-led centre-left coalition. Finally, Netanyahu may well live to regret that last summer he moved heaven & earth in a vain attempt to keep Rivlin from becoming President. And the talk emanating from Israel this week of a possible “unity” coalition government of Likud & the Zionist Union like is little may well be little more than a last gasp

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A post he’s unlikely to get, even if Netanyahu were to form the next government & his party were to be part of it; for Naftali Bennett covets it for the control it would give him over the West Bank.

Netanyahu-orchestrated attempt to avoid the seemingly inevitable (& for him unthinkable) outcome⁵ and evidence that he expects Moshe Kahlon, who is looking more & more the likely 'kingmaker', to lean towards the centre, rather than the right.

NETANYAHU IS MORE DANGEROUS THAN IRAN (The Telegraph, Inna Lazareva)

- In recent weeks Meir Dagan, the Head of Mossad from 2002 to 2011, & others in the Israeli security establishment (incl. Shabtai Shavit, Head of Mossad from 1989-1996) have been on a campaign criticizing Netanyahu for his hardline on the West's Iranian nuclear negotiations & for his failure to make progress on the Palestinian issue. And he surprised a crowd of about 35,000 in Tel Aviv's Rabin Square on the Sabbath last weekend when he broke down in tears during a speech in which he said among others, "Israel is a country surrounded by enemies, but the enemies don't scare me ... I am scared of the leadership (*of Netanyahu*), by the absence of vision ... Above all I am scared by the crisis of leadership which is the worst there has ever been until today."

Generations of political science students were imbued with Otto von Bismarck's dictum "Politics is the art of the possible", an idea alien to far too many Netanyahu-like political leaders today with Louis XIV ("L'État c'est moi") complexes for whom staying in power is the "be all & end all".

THE PALESTINIAN AUTHORITY IS ON THE BRINK OF COLLAPSE (Haaretz, Amira Hass)

- The well-regarded Ramallah-based Palestinian Center for Policy and Survey Research is run by Dr. Khalil Shikaki (*who has a Ph.D. from Columbia & is, among others, a Senior Fellow at Brandeis University⁶, and who has, since 1993, run hundreds of polls among Palestinians and, more recently & to a lesser extent, among Israelis*). It has just published a 250-page study, The 'Day After' Final Report : The Likelihood, Consequences and Policy Implications of a Palestinian Authority Collapse or Dissolution. The result of discussions with over 250 Palestinian professionals, its bottom line is that the Palestinian Authority is likely to collapse for one of three reasons, a choice by its leadership, as a result of Israel's overwhelming economic, military & political power, or an internal rebellion. The ironic aspect, its says, is that neither the Palestinians nor Israelis really want that to happen, the former in many cases since they have a personal vested interest in its continuance but more generally since they fear it would result in the West Bank becoming a violent, criminal, chaotic & disease-ridden place, and the latter since it would force them to once again resume full responsibility (as was the case before the 1993 Oslo Accord), for looking after-, and maintaining law & order among-, the nearly 3MM West Bankers (*under difficult, if not outright hostile, conditions that would generate even more international alienation*).
- As part of the study Dr. Shikaki also interviewed a dozen Israelis across the military-, government-, & political spectrum but the far right. He found that while they appreciated that Israeli policies could worsen the situation, they felt that Israel would "step in at the last moment to prevent a collapse"; this Dr. Shikaki opined "gives each of the actors the comfort to believe that they can do a lot of harm to the other party without risking that other party's collapse", in other words, to engage in a high-level, high-stakes game of chicken.

⁵ The equivalent of a 'Hail Mary pass' in American football & of "pulling the goalie" in ice hockey.

⁶ A Waltham, Mass.-based, small (< 4,000), but quality university (it ranks 35th in the US).

By coincidence, or perhaps not so, Palestinian officials are warning the Palestinian Authority could collapse if Israel continues withholding the US\$100MM in taxes & customs duties that it collects each month on its behalf, For this is making it impossible for it to meet its monthly US\$200MM payroll (threatening the Israeli-Palestinian security cooperation that has been credited with the marked decrease in Palestinian attacks & which, according to Israeli intelligence sources, has stopped dozens of terrorist attacks on Israelis). Meanwhile in Gaza, UNRWA recently suspended its reconstruction efforts due to donor pledges not materializing.

GREECE RESCUE TALKS TO RESUME UNDER PRESSURE (BB, Rebecca Christie)

- Talks will resume on March 11th after Eurozone Finance Ministers demanded urgent action to avert an impending crash crunch. Greece needs to gain access to the rest of its bailout funds but needs to act on reforms. Dutch Finance Minister Jeroen Dijsselbloem, Head of the Eurozone Finance Ministers' group, said after a meeting in Brussels on March 8th (attended by Greece's Finance Minister) "We stand ready to further support the Greek government on the condition that we have an agreement on the whole package" after earlier saying "We have to stop wasting time ... We've lost over two weeks - in which very little progress has been made. The real talks haven't started yet. There has been no implementation ... the Eurozone will only provide funds for Greece if it delivers on reforms."
- Meanwhile the government cash supplies are running low & may last only three weeks, & Prime Minister Tsipras has only until June to reach a agreement on further support for his country. Meanwhile, a prominent Christian Democrat lawmaker & Chancellor Merkel's former Transport Minister Peter Ramsauer (who still is Chairman of its Economic Affairs Committee & the most prominent Christian Democrat advocate of a Grexit) wrote in Bild, Germany's top-selling daily, on March 8th that more muddling through with Greece made little sense & that "by leaving the Eurozone, as Finance Minister Schaeuble has suggested, the country could make itself competitive again ... with a new drachma."

The financial pressure on the Greek government is immense; while a senior official said it has enough cash to meet the second of four 310MM Euro debt service payments due March 13th, two more are due next week, on the 16th & 20th. Meanwhile, as Ramsauer's comments are seen as a sign German sentiment about a Grexit is hardening, the Greek government still intent on implementing its election promises (despite polls showing a large majority of Greeks want the government to compromise so that Greece can continue using the Euro), while Finance Minister Yanis Varoufakis seems bent on continuing to rub his Eurozone counterparts the wrong way; for this week he went on record as saying "The idea of troika (EC, ECB & IMF) visits, comprising cabals of technocrats from the three institutions in lock step (a less than subtle reference to the WW II Nazi occupation) walking into our ministries and trying to implement a program which has failed ... that is a thing of the past" (because it had "alienated" Greeks & contributed to their resisting reforms). And while it was reported on March 6th that, after Greece on February 20th had agreed to comply with the demands of its public sector creditors, money outflows from Greek banks (20+BN Euros to date, all funded by the ECB) had abated in March, these could easily resume, if the outlook were to turn dodgier again. Meanwhile Prime Minister Tsipras was to meet on March 13th in Brussels with the EC President Juncker & European Parliament President Schulz on what many believe to be a 'damage control mission'

GREECE THREATENS TO SEND REFUGEES TO BERLIN (The Daily Telegraph)

- Greece's Defense Minister, Panos Kammenos (*the leader of the right wing junior coalition partner Independent Greeks' party*) has threatened to give EU travel papers to all illegal immigrants crossing its borders & to the 10,000 already in its detention centres saying "If they deal a blow to Greece, then ... the migrants will get papers to go to Berlin ... If Europe leaves us in crisis, we will flood it with immigrants, and it will be even worse for Berlin."

Kammenos is a known 'loose cannon'. His anti-immigrant, far right wing party has nothing in common with Syriza other than a common loathing of austerity. While it's not clear if Prime Minister Tsipras sanctioned this, it 's unlikely since he must know this is an empty threat since, even if every immigrant in Greece were to end up in Germany, it would be a mere drop in a bucket since it already has 600,000 refugees, & such threats reduce the chances of an acceptable outcome.

RUSSIA RETURNS TO AFRICA (Al-Jazeera, Carolyn Hellyer)

- The Uganda Oil Ministry recently announced Russia's RT Global Resources, a subsidiary of Rostec, an export-oriented SOE, whose CEO Sergey Chemezov, a close Putin ally (nicknamed "Putin's arms' dealer" by detractors) who is on both the US & EU sanctions lists, had won a US\$3BN contract to build a 60,000 bbl. refinery (to process locally-produced crude for the local market), as well as a 205 km. pipeline from the refinery to the capital, Kampala. And last year another Rostec subsidiary, Rosoboronexport, launched a continent-wide satellite surveillance, Project Condor, in partnership with South Africa.

Ignored since the collapse of the Soviet Union, Africa seems to have been rediscovered by Rostec as, among others, a major potential arms market. And as a forthcoming Special Edition documents it may have gained the inside track in South Africa's ambitious nuclear power programme.

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One of you was kind enough to share with me a letter that "A sage friend, ... a former Canadian pilot who volunteered in WW II, and knew what he was fighting for" recently wrote him that I am hereby reproducing (with both their consent) because it voices, almost to a "T", how I feel about the West's latest adventures in the Middle East.

"My hatred of violence doesn't mean that I think violence is avoidable. It is sometimes essential. But the violence we have committed ourselves to in the ME raised a number of problems for me.

As I've said before, violence for its own sake is useless. Violence must have an aim that goes beyond simply a military victory. That was lacking in 1919 when vengeance took over. It was lacking in Bush's Iraq and in his Afghanistan ... Fortunately it was not lacking in 1945, when despite the slogan of unconditional surrender the Allies made a proactive effort to renew their enemies' political stability and economy.

My problem with our present use of violence against ISIS is that there is no realistic, peaceful goal beyond the violence. Even if we "cleanse" Syria and Iraq and Libya and whoever of ISIS, we end up with a handful of chaotically unstable countries full of desperate, heavily armed people governed by despots or rival warlords ready to slaughter each other for the slightest social, religious, territorial, tribal or political advantage.

Our tragedy, and it may yet draw us into disaster, is our failure to see that all this turmoil has a single source. For us this “war” gives us the satisfaction of taking part in a righteous cause against barbaric evil that performs executions on social media, although we never ask if our own unpublicized actions have been equally barbaric. We defer to our leaders’ warnings that ISIS is a threat in the streets of our own peaceable cities, though the streets *in Canada* have seen only three casualties and a few blundering conspiracies by wannabe nut cases. We are sure that as soon as we train those indigenous armies ISIS will be wiped from the map even though the indigeneous armies have been training for decades and are still hopelessly gun-shy (???)

If we look past all that, and past the suppression and murders of tribal, ethnic and religious quarreling, the single source of all this is economic. The ISIS appeal is merely a banner that proclaims the movement’s higher purpose and legitimizes its inhumanity, but the goal is to rise above poverty and achieve at least the basic elements of bearable life, drinkable water, electricity, enough to eat every day, safe childbirth and civil good order. It’s the hope for those simple benefits that keeps such forces as ISIS alive. Hitler made the trains run on time, Hussein maintained a stable society (*the very same reason why Hamas beat Fatah in the 2006 election, why Hezbollah has considerable public support in Lebanon , and why the Muslim Brotherhood has won elections in Egypt & Tunisia*).

Winning the “war” is much more complicated than destroying ISIS, because unless poverty is overcome ISIS will *just* be replaced by other movements no less smart, powerful and ruthless (*and social media-savvy?*). How can that be done, given the chaos of conflicting views and seething corruption that now prevails, is far beyond my tiny mind. But it must be done unless we’re are willing to go on pouring military resources into a never-ending and ultimately pointless conflict.“

While I was too young to bear arms during WW II, my own experience then causes me to share the writer’s “hatred of violence” although I too accept its occasional inevitability (as a matter of last-, rather than first-, resort). On the other hand, implying poverty is the “single” source of the mahem in the Middle East overstates its importance in the panoply of causal factors, although part of the answer undoubtedly lies in avoiding situations in which young men cannot find gainful employment & have a sense that, as a young African put it a few years ago, ‘death cannot be any worse than this life’, and become vulnerable to the blandishments of older men with pockets full of cash offering to pay them for carrying a gun. The West’s strategy in the region may have focused too much on the stick-, rather than the carrot-, part of the old saying of “Speak softly but carry a big stick” , too much on the war of hardware & not enough on winning the war for the hearts & minds..